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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF	)	
FINANCE, CONSUMER FINANCE	)	Docket No. 2009-9-03
BUREAU,	)	
	)	
Complainant,	)	<b>CONSENT ORDER</b>
	)	
vs.	)	
	)	
VERICORE, LLC,	)	
	)	
Respondent.	)	
	)	

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The Director of the State of Idaho, Department of Finance, Consumer Finance Bureau (Director) has conducted a review of the Idaho collection activities of Vericore, LLC (the Respondent). Pursuant to said review, it appears to the Director that the Respondent has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and the Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative or civil action. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. The Respondent voluntarily consents to the entry of this Consent Order.

## RESPONDENT

1. The Respondent is a Louisiana limited liability company doing business as a commercial collection agency. The Respondent's corporate offices are located at 1200 West Causeway Approach, Mandeville, Louisiana 70471. Tim Sanderson is the Respondent's president and chief executive officer. The Respondent has never been issued a collection agency license under the Act.

## FACTS

2. In January of 2004, the State of Idaho, Department of Finance (Department) received a complaint from an attorney alleging that the Respondent had been collecting against his client, an Idaho business, while the Respondent failed to maintain a license issued by the Department under the Act. At that time, the Department reviewed its licensing records and noted that the Respondent did not hold a license to engage in collection activity in Idaho under the Act.

3. On June 29, 2004, a Department examiner/investigator notified the Respondent that it had received a complaint from a consumer indicating that the Respondent had engaged in unlicensed collection activity in Idaho. That letter advised the Respondent of the permit (license) requirement for engaging in collection activity in Idaho, and also informed the Respondent of the possible sanctions under the Act for unlicensed collection activity. Further, the letter informed the Respondent of the process for obtaining a permit (license) under the Act.

4. On July 21, 2008, the Department received a letter from Idaho business owner, G.B., informing the Department that the Respondent had been contacting G.B.'s company in an attempt to collect on a debt purportedly owed by G.B.'s company. After receiving the letter from G.B., the Department reviewed its licensing files, noted that the Respondent failed to obtain

a license under the Act, and commenced an investigation of the Respondent's collection activities in Idaho.

5. In or around December of 2008, the Department received a communication from Idaho resident A.C., who alleged that between November 19, 2008 and December 26, 2008, the Respondent had made repeated attempts to collect on a debt purportedly owed by a former business of which he had been a principal.

6. As part of its investigation into the Respondent's Idaho collection activity, the Department requested that the Respondent provide information concerning the extent of its unlicensed collection activity in Idaho. The Respondent cooperated with the Department and provided information in response to the Department's request.

7. The Department concluded from its investigation that the Respondent had actively collected against Idaho businesses since at least 2004. The Department's information showed that the Respondent had collected \$246,418.64 from two hundred twelve (212) Idaho businesses. Of that amount, the Respondent retained a total of \$77,066.93 in fees for its services. All such collection activities in Idaho occurred while the Respondent failed to hold a license under the Act, and despite the July 29, 2004 letter to the Respondent warning it of the consequences of unlicensed collection activity in Idaho and advising it of the procedure to become licensed.

8. On November 18, 2008, the Department received an application for a license under the Act submitted by the Respondent.

### **FINDINGS**

#### *UNLICENSED COLLECTION AGENCY ACTIVITY*

9. The allegations set forth in paragraphs 1 through 8 above are fully incorporated herein by this reference.

10. From 2002 until it was amended in 2008, Idaho Code § 26-2223 provided as follows, in pertinent part:

**26-2223. Collection agency, debt counselor, or credit counselor permits.** -- No person shall without complying with the terms of this act and obtaining a permit from the director:

(1) Operate as a collection agency, collection bureau, collection office, debt counselor, or credit counselor in this state.

(2) Engage, either directly or indirectly in this state in the business of collecting or receiving payment for others of any account, bill, claim or other indebtedness.

...

11. Beginning on July 1, 2008, Idaho Code § 26-2223 provided as follows, in pertinent part:

**26-2223. Collection agency, debt counselor, credit counselor, or credit repair organization – License required.** – No person shall without complying with the terms of this act and obtaining a license from the director:

(1) Operate as a collection agency, debt counselor, credit counselor, or credit repair organization in this state.

(2) Engage, either directly or indirectly, in this state in the business of collecting or receiving payment for others of any account, bill, claim or other indebtedness.

...

12. The Respondent's acts of engaging in collection activity in Idaho without a license, as referenced in paragraphs 2 through 8 above, constitute violations of Idaho Code § 26-2223(1) and -(2), in both its pre- and post-July 1, 2008 forms as set forth in paragraphs 10 and 11 above.

#### REMEDIES

13. The Respondent neither admits nor denies the allegations contained in this Consent Order.

14. Upon the execution of this Consent Order, the Respondent agrees to pay to the Department the sum of fifteen thousand dollars (\$15,000) in settlement of the Department's allegations contained herein, and an additional amount of one thousand dollars (\$1,000)

constituting investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of sixteen thousand dollars (\$16,000).

15. The Respondent agrees to pay to the Department an initial payment of four thousand dollars (\$4,000) by no later than April 1, 2009, and to make payments of two thousand dollars (\$2,000) each month thereafter, by no later than the 1st day of each month, until the sum of sixteen thousand dollars (\$16,000) is paid in full.

16. When the Respondent has executed this Consent Order and has paid to the Department four thousand dollar (\$4,000) as referenced in paragraph 15 above, the Department agrees to consider the licensing application submitted by the Respondent, and further agrees that the Department will not consider this Consent Order the basis for denial of the Respondent's licensing application.

17. The Respondent agrees to abide by all provisions of the Idaho Collection Agency Act and rules promulgated thereunder at all times in the future.

18. The Respondent agrees that the findings and alleged violations contained herein may be used in any subsequent proceeding resulting from any breach of the terms of this Consent Order or future violations of the Act, rules promulgated thereunder, or relevant federal laws and rules by the Respondent.

19. Should the Respondent fail to timely make any payment reflected in paragraph 15 above, this Consent Order will be deemed to have been breached. In that event, the Respondent understands and acknowledges that the Department may seek revocation of an Idaho collection agency license held by the Respondent under the Act and/or may take other appropriate legal enforcement action against the Respondent.

20. The Department agrees not to seek further sums or fees for the alleged violations identified in this Consent Order other than as set forth in paragraphs 14 through 16 above, as long as the Respondent fully complies with the terms of this Consent Order.

21. The Respondent acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same.

DATED this 17<sup>th</sup> day of MARCH, 2009.

VERICORE, LLC

By: \_\_\_\_\_

President & CEO

Title

DATED this 26<sup>th</sup> day of MARCH, 2009.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

Michael Larsen on behalf of me  
MICHAEL LARSEN  
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 26<sup>th</sup> day of MARCH, 2009.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

Gavin M. GEE  
GAVIN M. GEE, Director



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 27 day of March, 2009,  
I caused a true and correct fully-executed copy of the foregoing CONSENT ORDER to be  
served on the following by the designated means:

David Israel  
SESSIONS, FISHMAN, NATHAN & ISRAEL, LLP  
3850 N. Causeway Blvd., Suite 200  
Metairie, LA 70002-7227

- U.S. mail, postage prepaid
- certified mail
- facsimile \_\_\_\_\_
- overnight delivery

  
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Paralegal